



Easy
access
to your
FSA funds!

How do I use my FSA?

When you enroll in a healthcare FSA, you will automatically receive the Carewise Health Spending Account Card.

The Spending Account Card:

- Is used to pay for eligible healthcare purchases directly from your FSA;
- Reduces the number of reimbursement claims to file; and
- Gives you immediate access to healthcare FSA funds.

Note: The card is not available for dependent care FSAs.

All FSA participants will have access to a secure website to view up-to-date account information.

Where can I learn more?

Visit www.SpendingAccounts.info for additional information about flexible spending accounts, including a list of eligible expenses and an interactive contribution and tax-savings calculator. You can also call 1-800-228-5762 to speak with an FSA specialist.



Common eligible expenses

- Copays, deductibles, and coinsurance for medical, dental and vision plans
- Prescriptions
- Eyeglasses
- Contacts
- First aid supplies
- Smoking cessation products (prescription only)
- Braces
- Laser eye surgery
- Chiropractic care
- Day care
- Before/after-school care
- Summer day camp
- And more!

! Over-the-counter (OTC) medications (except insulin) are NOT eligible for reimbursement unless the medication is prescribed.

Note: Eligible expenses are subject to change based on IRS guidance.

This brochure provides a general overview of SHPS' FSA program and is not inclusive, nor a guarantee of eligibility or payment. Please see your company's plan documents for specifics regarding your plan. If any conflict arises between this brochure and your plan documents, the terms of your company's plan will apply. Carewise Health is a benefit program independently administered by SHPS, Inc. ©2010

Flexible Spending Accounts

Save Money on Healthcare and Dependent Care



What is an FSA?

- An employee benefit that saves you money on healthcare and day care expenses for you and your family.
- An account where you contribute money from your paycheck BEFORE taxes; then incur eligible expenses and get reimbursed.
- A great way to LOWER YOUR TAXES and SAVE MONEY!

There are two types of FSAs:

- The **Healthcare FSA** is used to pay for out-of-pocket medical expenses not covered by insurance.
- The **Dependent Care FSA** is used to pay for child or elder care expenses including day care, before/after-school care, and summer day camp.

How will an FSA save me money?

You pay less in taxes. Here's an example:

ANNUAL SAVINGS*	With FSA	Without FSA
Annual pay	\$50,000	\$50,000
FSA pre-tax contribution	(\$2,000)	\$0
Taxable income	\$48,000	\$50,000
Federal income and Social Security taxes	(\$9,130)	(\$9,583)
After-tax dollars spent on eligible expenses	\$0	(\$2,000)
Real spendable income	\$38,870	\$38,417
Savings with an FSA	\$453	

* Sample tax savings for a married taxpayer with two federal exemptions. Actual savings will vary based on your individual tax situation. Please consult a tax professional for more information.



Should I enroll?

If any of the following apply to you or eligible family members, enrolling in an FSA can save you money:

Healthcare

- Have copays, deductibles, or coinsurance for medical, dental, or vision plans;
- Purchase prescription medications;
- Wear glasses or contacts, or plan on having laser eye surgery;
- Receive orthodontia treatments, such as braces.



Over-the-counter (OTC) medications (except insulin) are NOT eligible for reimbursement unless the medication is prescribed.

Dependent care

- You and your spouse (if married) are working, looking for work, or attend school full-time;
- You have children under age 13 who attend day care, before/after-school care, or summer day camp;
- You provide care for a person of any age whom you claim as a dependent on your federal income tax return, and who is mentally or physically incapable of caring for himself or herself.

As always, you should check your employer's benefit plan documents for details.



How much should I contribute to my FSA?

That's up to you. Contributions are unique to your healthcare and dependent care situation. Look at what you typically spend each year on out-of-pocket healthcare and day care. Use the FSA contribution calculator at www.SpendingAccounts.info to help you estimate the amount that's right for you.



Healthcare FSA participants have access to the full contribution amount at the beginning of the plan year.



"Each year I contribute \$2,000 to my healthcare FSA to pay for doctor copays, prescriptions, and contacts. By using pre-tax money for these expenses, I'm saving about \$450 a year. I can't wait to enroll again this year."

— FSA participant

Note: Plan carefully when determining your contribution amount. Because FSAs have tax benefits, the IRS places guidelines on them. Any money left in your account at the end of the plan year cannot be rolled over to the next year or paid out to you. (The IRS allows an extension for up to 2½ months into the next plan year to help you spend your FSA funds. Check with your employer to see if this extension is available to you.)

How do I enroll?

Enroll in an FSA during your employer's benefits open enrollment period. Once you have determined your annual FSA election, your employer deducts the amount from your pay in equal amounts throughout the year, before taxes.



Remember, even if you enrolled last year, you must enroll again this year.